



**A STUDY ON THE DETERMINANTS AFFECTING CRUDE PALM OIL (CPO)
PRICE IN MALAYSIA**

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UNIVERSITI TEKNOLOGI MARA
MALACCA CITY CAMPUS**

JULY 2018

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**Submitted in Partial Fulfillment of the
Requirement for the
Bachelor of Business Administration with Honours (Finance)**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MALACCA CITY CAMPUS**

JULY 2018

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
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UNIVERSITI TEKNOLOGI MARA MALACCA CITY CAMPUS
“DECLARATION OF ORIGINAL WORK”**

I, Nadhirah binti Muhammad Fithal, (I/C Number: 930203-06-5412)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

LETTER OF SUBMISSION

July 2018

Madam Nur Hafidzah Binti Idris

Bachelor of Business Administration with Honours (Finance)

Faculty of Business Management

Universiti Teknologi MARA, Malacca City Campus,

110 Off Jalan Hang Tuah, 75300 Melaka.

Dear Sir/Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper titled “**THE STUDY ON THE DETERMINANTS AFFECTING CRUDE PALM OIL (CPO) PRICE IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours Sincerely,

NADHIRAH BINTI MUHAMMAD FITHAL

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Bachelor of Business Administration with Honours (Finance)

ABSTRACT

There are many factors that may affect the changes of crude palm oil prices in Malaysia. In this studies, however analyzes the influence of Brent Crude oil and also price of substitutes which are olive oil price, soybean oil price and sunflower oil price that act as an independent variable while crude palm oil act as a dependent variable. Needless to say the price of commodity very fluctuates. Rapid development of the country makes a huge demand and supply around the world. Thus, this study will brief more about the relationship between independent variables and price of crude palm oil in Malaysia. The data obtained to conduct this study was collected in yearly basis from year 1988 to 2017. In the process of findings, there are few types of analysis were tested using the Econometric Views (E-Views) such as Multiple Linear Regressions, normality test, unit root tests and more. Based on the result, it reveals that the price of olive oil and price of sunflower oil is negatively insignificant influence towards crude palm oil price. Brent crude oil shows negative relationship with price of crude palm oil but have significant. Meanwhile, only soybean oil price have positive correlation towards price of crude palm oil in Malaysia. Therefore, it is perfectly significant influence on fluctuation price of crude palm oil.

Keywords: CPO price, Olive oil price, Brent crude oil price, Soybean oil price, Sunflower oil price